

# Homeowners and Renters: The Value of Taking Inventory

Dover – Right now, thousands of homeowners are cleaning up and filing insurance claims following an outbreak of devastating tornadoes across the U.S. However, according to a February 2012 survey from the National Association of Insurance Commissioners (NAIC), more than half of Americans don't have a home inventory of their possessions, putting them at risk for inadequate home insurance coverage, should severe weather strike.

The recent survey revealed 59 percent of consumers have not made a list or inventory of their possessions. Of those individuals with a home inventory, 48 percent do not have receipts; 27 percent do not have photos of their property; and 28 percent do not have a back-up copy of the inventory outside the home. Additionally, 59 percent of people with inventories have not updated their inventories in more than a year, meaning new purchases and gifts may not be covered.

"Violent weather events affected approximately 80 percent of the nation's population over the past six years. In 2011 many Delawareans experienced the effects of Hurricane Irene which left widespread destruction in her wake," stated Insurance Commissioner Karen Weldon Stewart. "Creating a detailed inventory of your possessions is one the best ways to ensure you have the right amount of homeowners or renters insurance for you and your family."

Last year alone, severe weather disasters across the country inflicted more than \$43 billion in damage. According to the National Association of Insurance Commissioners myHOME Scr.APP.book application makes it easier for consumers to document their valuables, update their inventories and store the information for easy access after a disaster. The app is

free and available for both iPhone and Android smart phone users.

Before severe weather strikes, consumers can use their inventory to evaluate their coverage and determine if they need to update their policies. It's important to know that how much is reimbursed varies greatly from policy to policy. On average, home contents are reimbursed only up to 50 percent of the home's insured value, i.e., \$50,000 to replace the contents of a home insured for \$100,000.

### Creating a Home Inventory

The myHOME Scr.APP.book app lets users capture images, descriptions, bar codes and serial numbers of personal possessions and stores the information electronically for safekeeping. The app organizes information by room and creates a back-up file for email sharing. Located on the Delaware Department of Insurance (DOI) website are instructions for you to download this application to your phone.

For those without a smart phone, also on the DOI website is a downloadable home inventory checklist and tips for effectively cataloguing your possessions. Both are available at [www.delawareinsurance.gov](http://www.delawareinsurance.gov).

### Attention Established Families

"All renters and homeowners should develop a home inventory, and this is especially important for established families with years' worth of family possessions," says Commissioner Stewart of the Delaware Department of Insurance. "Whether it is electronics, furnishings, collectibles, jewelry or clothing, families need to know what they own and how much it's worth."

As kids grow, the average family's number of household possessions increases, as well. Families should consider the following areas when reviewing their home insurance needs:

- Electronics –The standard \$1,000 policy limit on electronics may not be sufficient to replace multiple computers, MP3 players and tablets. Additionally, many homeowners' policies do not cover items, such as laptops and televisions, stolen from a dorm room; so families with children living on or off campus should consider renter's insurance.
- Jewelry – Most policies limit coverage for jewelry to \$500, which typically is insufficient to replace a favorite pair of diamond earrings, a wedding ring or expensive family jewelry passed down from generation to generation.
- Fashion – Considering the amount of laundry in the hamper each week, many parents realize the volume of clothing in the household is significant. Replacing clothes, shoes, handbags and accessories for today's fashion-conscious family can add up.
- Home Goods – Kitchen appliances, workshop tools and sporting equipment also should be included when creating a home inventory.

## Disasters Happen, Be Prepared

Personal safety should always be paramount when considering the threat of severe weather. Developing an emergency kit, identifying storm shelters and gathering important phone numbers; including the 24-hour contact information for your insurance agent and insurance company, are all important preparedness steps. For more tips on preparing for severe storms and other disasters, visit: [http://www.insureuonline.org/disaster\\_preparedness.htm](http://www.insureuonline.org/disaster_preparedness.htm).

If you have questions or are confused about how and why to complete a home inventory, contact Delaware Department of Insurance by visiting [www.delawareinsurance.gov](http://www.delawareinsurance.gov) or calling 302-674-7303.